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UNCLAS TEGUCIGALPA 000516

SIPDIS

GUATEMALA FOR COMATT: MLARSEN
STATE FOR WHA/CEN

E.O. 12958: N/A

TAGS: [BEXP](#) [EINV](#) [ECON](#) [HO](#)

SUBJECT: EMBASSY REQUEST FOR 2005 BFIF FUNDS

REF: a) 04 STATE 65523

¶11. (U) Summary: Embassy Tegucigalpa requests a total of USD 7,300 in BFIF funds for training and travel to promote US exports to Honduras. This request consists of the following three components: commercial training for economic/commercial officer; commercial outreach in major cities outside of the capital to business associations and companies seeking to increase trade with the U.S.; and promotion of CAFTA benefits to the business community to encourage taking maximum advantage of the free trade agreement.

¶12. (U) Post requests USD 3,700 for commercial training for Post's recently-arrived economic/commercial officer. Justification: Post has no resident FCS officer. A first tour junior officer manages Post's Foreign Commercial Service operations and supervises two local-hire FCS FSNs. Econoff also follows the Central America Free Trade Agreement (CAFTA) portfolio. Post therefore requests funds for this officer to attend two vitally important FSI courses: Commercial Tradecraft (August 8-12); and Trade Agreement Monitoring and Implementation (August 1-5). The two courses are scheduled consecutively, yielding significant savings on travel costs if both are approved for the same trip.

¶13. (U) These courses and the consultations built into them will enhance econoff's knowledge of the Washington-based resources available to promote US exports. Additionally, technical training in implementing and monitoring trade agreements will support Mission Performance Plan goal of supporting US business and investors and ensuring that both are able to maximize benefits anticipated under CAFTA. Post notes that a similar training proposal was submitted and approved in FY04; however, those funds were returned for reprogramming when the previously assigned junior officer was identified for service in Iraq. Post subsequently absorbed an eight-month gap in that position. Now that this position has been filled, Post considers it mission-critical to train-up this officer as quickly as possible to achieve maximum effectiveness in our FCS operations. Post will also be working closely with FCS to identify funding for orientation visits to regional FCS offices and other training opportunities.

¶14. (U) Post requests USD 2,300 for commercial outreach outside of the capital city of Tegucigalpa. Justification: If funded, Econoffs and FSNs plan to visit major commercial centers such as San Pedro Sula, La Ceiba, Choluteca, and Tela to promote FCS services, to investigate first-hand trade and investment opportunities, and to explore the feasibility of conducting commercial outreach events in these cities. Though visited less frequently, these cities are economically important to the Honduran economy and represent potential business opportunities for U.S. firms. Post's requested funding level is based on three events lasting two days and including one officer and one commercial specialist. Possible itineraries would include visits to major corporations, chambers of commerce, and trade associations, and presentations to major trade and industry groups in the area. FSNs in particular would be encouraged to attend and present at industry groups with the greatest potential for US exports.

¶15. (U) Post requests USD 1,300 for CAFTA and other trade-related outreach. Justification: CAFTA has been ratified by Honduras and is expected to enter into force in 2005, following U.S. ratification. This agreement will bring important economic growth and job creation benefits to both the U.S. and Honduras, if industries rise to the challenge and grasp the opportunities offered by this pathbreaking trade deal. Post would welcome the opportunity to provide greater outreach to major corporations, chambers of commerce, and trade associations on this agreement. By promoting the formation of relationships between U.S. and Honduran exporters and importers, this outreach directly supports U.S. exports and helps both countries realize the fullest benefits possible from CAFTA. Post's proposed funding request is based on three events lasting one day each and including one officer and one commercial specialist.

16. (U) Embassy thanks EB/CBA for continued support of commercial efforts in Honduras.

Palmer